

AMENDED IN SENATE MARCH 29, 2006

SENATE BILL

No. 1729

Introduced by Senator Soto

February 24, 2006

~~An act to amend Section 21623 of the Government Code, relating to public employees' retirement. An act to amend Section 22844 of the Government Code, relating to public employees' health benefits.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1729, as amended, Soto. ~~Public employees' retirement: death employees: health benefits.~~

The Public Employees' Medical and Hospital Care Act requires the Board of Administration of the Public Employees' Retirement System to approve health benefit plans for certain public employees and annuitants, and authorizes the board to contract with carriers offering health benefit plans. The act prohibits an employee, annuitant, or family member enrolled in a prescription drug plan under Part D of Medicare from enrolling in a board-approved health benefit plan, unless enrolled in an approved Medicare Advantage plan.

This bill would instead exempt from that prohibition an employee, annuitant, or family member enrolled in a board-approved or offered health benefit plan that provides a prescription drug plan or qualified prescription drug coverage under Part D of Medicare as part of its benefit design.

~~The Public Employees' Retirement Law prescribes postretirement death benefits with respect to state and school members in the amount of \$2,000, with respect to specified local members in the amount of \$600, or with respect to school members and specified local members, under certain conditions, in the amount of \$3,000, \$4,000, or \$5,000.~~

~~This bill would make technical, nonsubstantive changes to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 22844 of the Government Code is*
2 *amended to read:*

3 22844. (a) Employees, annuitants, and family members who
4 become eligible to enroll on or after January 1, 1985, for Part A
5 and Part B of Medicare may not be enrolled in a basic health
6 benefit plan. If the employee, annuitant, or family member is
7 enrolled in Part A and Part B of Medicare, he or she may enroll
8 in a Medicare health benefit plan.

9 (b) Employees, annuitants, and family members enrolled in a
10 prescription drug plan under Part D of Medicare may not be
11 enrolled in a board-approved health benefit plan. This
12 subdivision does not apply to an individual enrolled in a
13 board-approved ~~Medicare Advantage health benefit plan offered~~
14 ~~under this part or offered health benefit plan that provides a~~
15 ~~prescription drug plan or qualified prescription drug coverage~~
16 ~~under Part D of Medicare as part of its benefit design.~~

17 (c) This section does not apply to employees and family
18 members that are specifically excluded from enrollment in a
19 Medicare health benefit plan by federal law or regulation.

20 ~~SECTION 1. Section 21623 of the Government Code is~~
21 ~~amended to read:~~

22 ~~21623. (a) In lieu of benefits provided by Section 21620 or~~
23 ~~21622, upon the death of a retired state or school member, after~~
24 ~~retirement and while receiving a retirement allowance from this~~
25 ~~system, there shall be paid to the beneficiary whom he or she~~
26 ~~shall nominate by written designation duly executed and filed~~
27 ~~with the board, the sum of two thousand dollars (\$2,000), to be~~
28 ~~provided from contributions by the employer.~~

29 ~~(b) For the purposes of this section, all contributions,~~
30 ~~liabilities, actuarial interest rates, and other valuation factors~~
31 ~~shall be determined on the basis of actuarial assumptions and~~
32 ~~methods that, in the aggregate, are reasonable and that, in~~

1 combination, offer the actuary's best estimate of anticipated
2 experience under this system.

3 (e) ~~The additional employer contributions required under this~~
4 ~~section shall be computed as a level percentage of member~~
5 ~~compensation.~~

6 (d) ~~This section shall apply to a school employer and a retired~~
7 ~~school member whose death after retirement occurs on or after~~
8 ~~January 1, 2001. This section shall not apply to a contracting~~
9 ~~agency or local member, except those contracting agencies that~~
10 ~~are school employers and those school districts or community~~
11 ~~college districts as defined in subdivision (i) of Section 20057.~~